

**UNITED STATES DISTRICT COURT
DISTRICT OF MINNESOTA**

UNITED STATES OF AMERICA,)	Civil No. 08-5348 ADM/JSM
)	
Plaintiff,)	
)	
vs.)	ORDER APPROVING THE
)	SALE OF REAL PROPERTY
THOMAS J. PETTERS, et al.,)	AND BUSINESS LOCATED
)	AT 675 HIGHWAY 7
Defendants.)	EXCELSIOR, MINNESOTA 55331

Upon consideration of the STIPULATION, together with its Exhibits, by and between Plaintiff United States of America, Defendant Michael Catain, and Receiver Douglas A. Kelley [Docket No. 164], who stipulate to the approval of the sale of real property and business located at 675 Highway 7, Excelsior, Minnesota 55331 (“the Property”), the Court finds:

1. The Property was purchased by the Defendant in 2004 for \$2.1 million dollars. In 2005, the property, which contained an office building and a car wash, was split, and the office building was sold for \$1.5 million dollars.
2. The remaining property and business was placed on the market by Defendant for sale.
3. A buyer, Youngstedt Companies, represented by David Bingham of Bingham Real Estate has made a commercial purchase agreement, attached to the Stipulation as Exhibit A, to purchase the Property and business from Defendant for \$1,250,000. The Defendant has received no other offers to purchase the property.

4. The Receiver has obtained from Bingham Real Estate agent David Bingham seven (7) comparable car wash properties that have sold within the last two years in the greater metropolitan area. The average selling price for these entities was \$1,405,000.

5. The Receiver has learned from David Bingham that the value of sales of commercial real estate has decreased at least 5% from 2007. The adjusted average selling price of \$1,405,000 reduced by 5% equals \$1,335,750.

6. David Bingham has opined that the offer of \$1,250,000 for the purchase of the car wash at 675 Highway 7, Excelsior, Minnesota 55331 seems appropriate.

7. After adjustments and payment of settlement charges, taxes and other closing costs, and a mortgage in the amount of \$498,048.27 as of November 25, 2008 held by Flagship Bank, the estimated proceeds from the sale are expected to be between \$650,000 to \$700,000.

8. John J. Bowden, a real property specialist attorney with the firm of Lindquist & Vennum PLLP, the attorneys for Douglas A. Kelley, Receiver, has reviewed the purchase agreement and the comparable sales. He is familiar with the commercial real estate market and also concludes that the offer of Youngstedt Companies to purchase the car wash business and property for \$1,250,000 is reasonable. See Bowden Affidavit [Docket No. 166].

Therefore, IT IS ORDERED that the sale of the Property under the terms of the purchase agreement is approved. This Order hereby authorizes the payment of settlement charges, taxes and other closing costs, and the mortgage held by Flagship Bank. The

proceeds from the sale after these payments and other adjustments shall be paid to the Receiver at closing, to be deposited into the receivership account.

IT IS SO ORDERED.

BY THE COURT:

s/Ann D. Montgomery
ANN D. MONTGOMERY
U.S. DISTRICT JUDGE

Dated: December 24, 2008.